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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

MAIL PROCESSING NETWORK RATIONALIZATION SERVICE CHANGES, 2011	Docket No. N2012-1

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO QUESTION 22 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 1 – ERRATA
(March 16, 2012)

The United States Postal Service hereby revises its response to Question 22 of Presiding Officer's Information Request No. 1. Specifically, page 25 of the response to Question 22 originally referred to "$341.8 million" of maintenance labor savings. It has been corrected to "$335.3 million." Similarly, on page 27, "$208.3 million" has been corrected to "$206.7 million." The revisions stem from the revisions filed yesterday to the Direct Testimony of Marc. A Smith on Behalf of the United States Postal Service (USPS-T-9) and to library reference USPS-LR-N2012-1/24, which in turn resulted from revisions that witness Dominic Bratta made to library reference USPS-LR-N2012-1/31.[1]

A full version of the response follows. Please note that this version replaces both the initial and supplemental responses to Question 22, which were filed on February 16, 2012, and February 24, 2012, respectively.

[1] *See* USPS-LR-N2012-1/31 REVISED – Maintenance Materials in Support of USPS-T-5, Docket No. N2012-1 (Feb. 24, 2012).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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22. Please refer to the specified spreadsheets within the following library references.

Library Reference	Spreadsheet
USPS-LR-N2012-1/10	FY2010_EOR_RunDownIdleTime Lib Ref.xls
USPS-LR-N2012-1/10	Outgoing Secondary Workload Library Reference.xls
USPS-LR-N2012-1/11	Air Transportation Volume Diversion Data.xls
USPS-LR-N2012-1/11	Plant to Post Office - Operating Miles Reductions.xls
USPS-LR-N2012-1/20	Night Diff Calcs.By LDC.xls
USPS-LR-N2012-1/23	LR23 Tables.xls
USPS-LR-N2012-1/24	Smith Testimony Attachments.xls
USPS-LR-N2012-1/24	Smith Testimony Tables.xls
USPS-LR-N2012-1/31	eMARS_WHEP_Staffing Changes Final_AM_v5.xlsx
USPS-LR-N2012-1/31	Study Sites minus non MP Sq Ft MASTER REV 1.xlsx
USPS-LR-N2012-1/31	Summary of maintenance labor and other Savings Nov 24th.xlsm
USPS-LR-N2012-1/33	Copy of FY11_Parts_Network Consolidation Analysis.xls

For each spreadsheet, please provide:

a. a description of input and output data files;
b. definitions of all input and output variables or sets of variables;
c. all sources of input data, and explanations of any modifications to such data made for use in the program; and
d. the input data and any programs necessary to replicate the output data.

RESPONSE:

The response for each library reference and spreadsheet listed above is provided separately, in the same order as listed above.

USPS-LR-N2012-1/10	FY2010_EOR_RunDownIdleTime Lib Ref.xls

a. The file, FY2010_EOR_RunDownIdleTime.xls, was created by extracting raw Fiscal Year 2010 End of Run (EOR) Data for all EOR facilities (see list in column B), for all equipment at these sites, for all runs. The EOR data for FY 2010 has millions of runs containing for each the information described in part b, and also much volume data for the run, including totals and by bin/stacker. EOR data for FY 2011 was also summarized in this same way, with a further breakdown by equipment type and day of week in USPS-LR-N2012-1/44. All operation numbers were included with the exception of operation number 750. 750 was excluded because it represents maintenance runs, not mail sorting runs. It was output in a bar delimited flat file. This bar delimited file was read in to MS Excel for analysis.

The output file is FY2010_EOR_RunDownIdleTime.xls. Cells A3 through F895 is the raw EOR data. In cell D2, E2, and F2 are the column totals of Run-Time, Down-time, and Idle time respectively.
Cell G2 creates a percent of idle time, by dividing the Idle time by the sum of Idle-time, run-time, and down-time.

The table in cells I4 through M14 includes additional sensitivities for idle time based on percentiles. This analysis is not utilized.

b. Data Description:

Site ID: A Unique ID for each End of Run Site
EOR Name: End of Run Site Name
9-Digit ZIP Code: The 9-Digit ZIP Code of the End of Run Site.
Run-Time: the machine belts are turning during an operational run.
Down-Time: Machine is unavailable during an operational run due to maintenance event
Idle Time: During an operational run, a machine is not running, but is available to do so.

Percent Idle time (cell G3)= (Idle-Time)/(Run Time + down Time + idle time)

c. Data is extracted directly from End of Run data base. In the SQL query, run-time,

down-time, and idle-time are

summed for Fiscal Year 2010 by end of run site for all operation except 750

(maintenance runs).

d. SQL used:

```
select eor.site_id as siteid, substr(pf.site_name,1,32) as sitename,pf.zip_code_id as
faczip,
        round(sum(ad.run_time)/3600,2) as runtime,
        round(sum(ad.down_time)/3600,2) as downtime,
        round(sum(ad.idle_time)/3600,2) as idletime
from application_data ad, end_of_run eor, postal_facility pf, machine m,machine_type
mt
where ad.run_sequence_nbr=eor.run_sequence_nbr
        and pf.site_id=eor.site_id
        and eor.mods_date>='01-oct-09'
        and eor.mods_date<'01-oct-10'
        and eor.machine_id=m.machine_id
        and m.mach_type_code=mt.mach_type_code
        and ad.run_time>0
        and (trunc(ad.mail_operation_nbr/1000) not in ('750')
group by eor.site_id,substr(pf.site_name,1,32),pf.zip_code_id
order by eor.site_id
;
```

USPS-LR-N2012-1/10	Outgoing Secondary Workload Library Reference.xls

Note: A spreadsheet called Outgoing Secondary Workload Library Reference.xls, initially filed in USPS-LR-N2012-1/10, was withdrawn. It was replaced with a non-public version USPS-LR-N2012-1/NP5 and a public version USPS-LR-N2012-1/38. This response will address both of these versions. This spreadsheet supports witness Neri's testimony, USPS-T-4 at pages 17-18 and also supports witness Smith's testimony, USPS-T-9 at pages 22-23 and USPS-LR-N2012-1/23, spreadsheet LR23Tables.xls, tab Section One.

Background

Letters: The conclusion that outgoing secondary (OGS) for automated letters will no longer be required in the proposed network is supported as follows. With 127 destination SCFs, all automated letters will be finalized on the outgoing primary (OGP) because each letter sorter has enough bins (approximately 220) to accommodate all destination SCFs. Therefore, all piece handlings recorded in the Management Organization Data System (MODS) that correspond to automated outgoing secondary processes will be eliminated.

Flats: The Outgoing Secondary for automated flats will still be required in the proposed network but its magnitude, in terms of piece handlings, will be reduced. With 127 destination SCFs, most automated flats will be finalized on the outgoing primary because each flat sorter has enough bins (approx 100) to accommodate the heavy volume SCFs. Therefore, a significant reduction of piece handlings recorded in the

Management Organization Data System (MODS) that correspond to automated outgoing secondary processes will be eliminated.

For the purposes of this library reference, 75 bins were used as a conservative approximation of the number of flat sorter bins that could be used to finalize on the outgoing primary. In other words, it is assumed that only 75 bins would be used for receiving the 75 highest volume destination plants, and the rest of the volume would be assumed to require an outgoing secondary sort. Since outgoing secondary MODS data is not available by destination, Origin Destination Information System (ODIS) data was used to calculate a distribution of volume that could be finalized on the outgoing primary. ODIS volume was aggregated at the Origin Processing Distribution Center (OPDC) to Destination Processing Distribution Center (DPDC) for the proposed network. For each origin, the 75 highest volume DPDCs were assumed to be finalized on the outgoing primary, with the remainder of the volume worked on an outgoing secondary process.

The spreadsheet Outgoing Secondary Workload L R (NP).xls in USPS-LR-N2012-1/NP5 has the five tabs listed below, while the spreadsheet Outgoing Secondary Workload L R public version.xls in USPS-LR-N2012-1/38 only contains the first three tabs.

Summary
OPN Used
OPDC-INP SUMMARY
OPDC-INP
PLANT _MAPPING

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Summary

a.-d. FY2010 -MODS Average Daily Workload from USPS-LR-N2012-1/48 for the operations listed on tab OPN Used. This is the FY2010 (or current) average daily pieces handled on automated outgoing secondary operations. Proposed Average Daily Workload Network Rationalization is determined on tab OPDC-INP SUMMARY. Workload Difference is the difference, and potential workload savings, between current and proposed workload. This tab provides the information reported in witness Neri, USPS-T-4, page 18 and also used in USPS-LR-N2012-1/23, tab Section One (to support witness Smith's Table 8.).

OPN Used

a.-d. For both Letters and flats, the automated MODS outgoing secondary operation numbers and description used for this analysis are listed.

OPDC-INP SUMMARY

a.-d. Provides for each proposed OPDC the percentage of OGP volumes requiring an OGS and the OGS volumes, given the FY2010 OGP volumes. The latter is summed to obtain the total OGS volumes under the proposed network. The percentage of OGP volumes requiring a OGS (for a given proposed OPDC) is just the percentage of mail remaining after accounting for the volumes associated with the 75 highest volume DPDCs.

Key Parameters and Summary Results:
AFSM 100 OGP Only Bins - the number of flat sorter machine bins that can be used for sorting to destination plants (DPDCs) -- assumed to be 75.
NETWORK FLAT OGP ADV - outgoing primary MODS average daily volume (sum of MODS-OGP for all OPDCs).
NETWORK FLAT OGS ADV - outgoing primary MODS average daily volume (sum of MODS-OGS for all OPDCs).

OGS/OGP % - the percentage of outgoing primary volume that gets run on the outgoing secondary.
NEW OGS ADV/CURRENT OGS ADV % - ratio of the proposed OGS ADV to the current OGS ADV

Data Description:
OPDC_NASS - NASS code of the proposed origin processing facility
OPDC - Name of the proposed origin processing facility
ODIS-OGP - ODIS volume finalized on the OGP (75 highest volume destinations) from tab OPDC INP, data output ADV_FCM_F_CUMUL
ODIS-OGS - ODIS Total less ODIS-OGP
ODIS-Total - total origin facility ODIS volume from OPDC INP, data input ADV_FCM_F.
ODIS-OGP % - ODIS percentage finalized on the OGP - ODIS-OGP/ODIS-Total
ODIS-OGS % - ODIS percentage finalized on the OGS - ODIS-OGS/ODIS-Total
MODS-OGP - MODS average daily outgoing primary volume for each proposed OPDC summed from PLANT_MAPPING, data input F-OGP
MODS-OGS - MODS average daily outgoing secondary volume - ODIS-OGS% x MODS-OGP

OPDC-INP

a.-d. Contains OPDC to DPDC ODIS FCM flats volume for the proposed network. The ODIS ADV (ADV_FCM_F) is obtained for each OPDC-DPDC pair by summing all ODIS OZIP3-DZIP3 pairs in which the OZIP3 is serviced by the OPDC and the DZIP3 is serviced by the DPDC and for which the shape is identified as a flat from USPS-LR-N2012-1/11. Data is sorted by OPDC and descending ADV_FCM_F so that all DPDCS can be ranked. From this sheet the ODIS volumes and volume share associated with the OGP 75 highest volume DPDCs for each OPDC is determined.

Data Description.
OPDC_NASS - NASS code of the proposed origin processing facility
OPDC - Name of the proposed origin processing facility
DPDC_NASS - NASS code of the proposed destination processing facility
DPDC - Name of the proposed destination processing facility
ADV_FCM_F - ODIS average daily FCM flat volume from the proposed OPDC to the proposed DPDC
ADV_FCM_F_RANK - BY OPDC, the ranking of the highest (1) to the lowest volume DPDC
ADV_FCM_F_CUMUL - cumulative volume by OPDC and ranking

PLANT _MAPPING

a.-d. Provides both OGP and OGS auto/mech volume for proposed OPDCs. MODS volumes (from USPS-LR-N2012-1/48) for OGP and OGS are split by 3-digit zip based on USPS-LR-N2012-1/11. These 3-digit zips are then ordered or mapped into both the current and proposed OPDC based on USPS-LR-N2012-1/17.

Data Description:
OZIP3 - origin 3-digit ZIP Code
C_OPDC - Name of the current origin processing facility
C_OPDC_CODE - NASS code of the current origin processing facility
C_OPDC_ZIP5 - ZIP Code of the current origin processing facility
C_OPDC_TZ - Time Zone of the current origin processing facility
OPDC - Name of the proposed origin processing facility
OPDC_CODE - NASS code of the proposed origin processing facility
OPDC_ZIP5 - ZIP Code of the proposed origin processing facility
OPDC_TZ - Time Zone of the proposed origin processing facility
F-OGP - is the flats outgoing primary volume (MODS) for AFSM 100 and UFSM 1000 for the applicable OZIP3
F-OGS - is the flats outgoing secondary volume (MODS) for AFSM 100 and UFSM 1000 for the applicable OZIP3.

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USPS-LR-N2012-1/11	Air Transportation Volume Diversion Data.xls

USPS-LR-N2012-1/11 has one spreadsheet: Transportation Spreadsheets LR.xls This Excel workbook contains the following spreadsheets:
1. Plant to Plant Transportation Summary
2. Plant to Plant Trips
3. Plant to Post Office - Operating Miles Reductions
4. Air Transportation Volume Diversion Summary
5. Air Transportation Volume Diversion Data

Below we provide the requested information for the 3rd and 5th sheets listed above.

Air Transportation Volume Diversion Data sheet

This response relies on witness Martin's response to POIR No. 1, question 13.

(a) - (d)

Input data files:	**Description:**	**Source and Modifications:**
Service Standards Matrix for Quarter 1 of FY2011	This matrix contains 850,950 pairs of the following data: Origin Three-Digit ZIP Code (OZIP3), Destination Three-Digit ZIP Code (DZIP3), and the current FCM service standard for each O/D ZIP Code pair.	. USPS-LR-N2012-1/62
Current FCM Modes (USPS-LR-N2012-1/25 and USPS-LR-N2012-1/NP7)	This file contains the following information	Was mapped to the service standards matrix using the SAS code contained in the file "Attach.Resp. POIR1.Q13." This SAS code file has been filed under

	for the current transportation network: Origin 3-digit ZIP Codes, Destination 3-digit ZIP Codes, and current FCM transportation mode (A = Air, S = Surface).	library reference USPS-LR-N2012-1/60.
FY2010 FCM ADV (USPS-LR-N2012-1/NP7)	This file contains the following information for FY2010: OZIP3, DZIP3, and average daily volume (ADV) for FCM.	Origin Destination Information System (ODIS). It is modified using same program or mapped to the service standards matrix using the SAS code contained in the file "Attach.Resp. POIR1.Q13." This SAS code file has been filed under library reference USPS-LR-N2012-1/60.
17_ZipAssignment_LocalInsight spreadsheet	Contains proposed outgoing and incoming facilities for the O/D ZIP Codes and information that links the proposed facilities to ZIP Codes.	library reference USPS-LR-N2012-1/17 (spreadsheet titled "17_ZipAssignment_LocalInsight").

Output data files:	**Description:**	**Input Data and Any Programs Necessary to Replicate Output:**
Proposed L201 to SCF Drive Time (USPS-LR-N2012-1/25 and	Proposed facility-to-facility distance information.	ZipAssignment_LocalInsight spreadsheet. PC Miler batchpro version 20.1 was used for road mileage.

USPS-LR-N2012-NP7)		
Proposed FCM Modes (USPS-LR-N2012-1/25 and USPS-LR-N2012-1/NP7)	Contains the new service standard and transportation mode for each O/D pair.	See witness Martin's response to POIR No. 1, question 13.

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USPS-LR-N2012-1/11	Plant to Post Office - Operating Miles Reductions.xls

Plant to Post Office - Operating Miles Reductions sheet

This response relies on witness Martin's response to POIR No. 1, question 11.

(a) - (d)

Input data files:	**Description:**	**Source and Modifications:**
1. AMP 1 Grand Island 2. AMP 2 Eau Claire 3. AMP 3 LaCrosse 4. AMP 4 Rochester 5. AMP 5 Duluth 6. AMP 6 Lafayette 7. AMP 7 Norfolk 8. AMP 8 Quincy 9. AMP 9 Campton 10. AMP 10 Owensboro 11. AMP 11 Bloomington 12. AMP 12 Kalamazoo 13. AMP 13 South Florida 14. AMP 14 Lancaster (USPS-N2012-1/27 and non-public library reference USPS-N2012-1/NP8)	These files contain the transportation portions of 14 AMP studies. These portions describe the current and proposed costs for Postal Vehicle Service ("PVS") and Highway Contract Route ("HCR") transportation.	Same as input data files, no modification made.

USPS-LR-N2012-1/20	Night Diff Calcs.By LDC.xls

a. Description of input and output data files;

There are two tabs in the spreadsheet. The one entitled "TACS Data" includes a data extract drawn from the Postal Service's Time and Attendance Collection System" and shows the September, 2011 labor hours, by mail processing operation groupings (see Neri Testimony, USPS-T-4, at page 26 (Figure 10), by hour of day. This data is from all Function 1 facilities and includes clerks, mail handlers and supervisors under the MODS operations consistent with the operational groupings listed below.

The tab entitled, "PSFR Data" includes an extract from the Postal Service Financial Reporting System for mail processing facilities and shows the total mail processing wage dollars paid and hours worked for hours covered by the night differential in FY2010.

b. Definitions of variables:

On the tab entitled, "TACS Data"

SumOfHour(i)	This is the September, FY2011 TACS hours for each mail processing operation, by hour of the day.
Shape	This is the variable that defines each mail processing operational grouping. See below list describing each grouping.
Total Hrs	This is the total September, FY2011 hours for each mail processing operation
ND Hrs	This is the total September, FY2011 hours covered by the night differential for each mail processing operation.
New Tot Hours	This is also the total September, FY2011 hours for each mail processing operation.
New ND Hrs	This is the total September, FY2011 hours which would be covered by the night differential for each mail processing operation under the new operating plan. This is developed as discussed in witness Neri's testimony, USPS-T-4, at page 25 based on the planned operational windows – see USPS-

	T-4, page 22. Outgoing operations night shift hours were taken to be the same as actual. The Supervision night shift hours were adjusted proportionally with all other operations. Similarly, LDC 17 Flat Mail Prep for AFSM night shift hours was based on the share of AFSM hours for night shift.
Current % ND	This is the ratio, by LDC, of the hours covered by the night differential to the total hours in September, FY2011
Future % ND	This is the ratio, by LDC, of the hours that would be covered by the night differential to the total hours under the new operating plan

On the tab entitled, "PSFR Data"

PaysumLIneNumDesc	Description of pay category
Month Hours	Wage dollars recorded for mail processing operations in September 2010
Month Dollars	Hours recorded for mail processing operations in September 2010
YTD Dollars	Wage dollars recorded for mail processing operations in FY2010
YTD Hours	Hours recorded for mail processing operations in FY2010
Avg. Night Differential differential	Ratio of YTD Dollars to YTD Hours under the night

c. There are two sources of data, as explained above, the Time and Attendance Collection System (TACS) and the Postal Service Financial Reporting System (PSFR). The spreadsheet presents extracts from those systems. There were no modifications of the listed variables prior to their use in the spreadsheet.

d. PFRS data is contained in USPS-LR-N2012-1/52 and USPS-LR-N2012-1/58.

Operational Groupings

10All	F1 Supervisors
11inp	Auto Letter Incoming Primary
11ins	Auto Letter CRT/DPS
11int	Auto Letter International
11og	Auto Letter Outgoing

12ainp	Auto Flat AFSM Incoming Primary
12ains	Auto Flat AFSM CRT
12aog	Auto Flat AFSM Outgoing
12fss	Auto Flat DPS
12inp	Auto Flat non-AFSM Incoming Primary
12ins	Auto Flat non-AFSM CRT
12int	Auto Flat International
12nc	Auto Flat Other
12og	Auto Flat non-AFSM Outgoing
13inp	Mech Package Incoming Primary
13int	Mech Package International
13nc	Mech Package Other
13og	Mech Package Outgoing
14inp	Manual Incoming Primary
14ins	Manual CRT
14int	Manual International
14OG	Manual Outgoing
15lcrem	LCREM Operations
15lmlm	LMLM Operations
15rec	REC Operations
17afsm	LDC 17 Flat Mail Prep - AFSM
17can	LDC 17 Cancellation Operations
17dock	LDC 17 Dock Related Operations
17idock	LDC 17 Inbound Dock Operations
17inp	LDC 17 Incoming Prep & Movement
17nc	LDC 17 Other
17odock	LDC 17 Outbound Dock Operations
17OG	LDC 17 Outgoing Prep
17pre	LDC 17 Presort Operations
180	LDC 18 Operations To Ignore
18All	LDC 18 All Other Operations
OtherAll	Non-Function1 Operations & F1 Training

USPS-LR-N2012-1/23	LR23 Tables.xls

LR23Tables.xls has the following tabs:

Section One titled **Table 8: Savings Due to Reduction in Outgoing Secondary Sorting**

a.-d. Contains Table 8 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and additional supporting calculations. Input data is from the following sources. Annual Volume Reduction in Outgoing Secondary (TPH) for DBCS was FY 2010 Outgoing Secondary MODS volumes for the operations listed on this tab using data in USPS-LR-N2012-1/48. Annual Volume Reduction in Outgoing Secondary (TPH) for AFSM 100 and UFSM 1000 was obtained in two steps. First, FY 2010 Outgoing Secondary MODS volumes were obtained for the AFSM 100 and UFSM 1000 operations listed on this tab. Second, it was determined these volumes could be reduced by an average daily volume of 676,161 which is an annual volume of 204.2 million (at 302 days). This reduction is from USPS-LR-N2012-1/38 Outgoing Secondary Workload Data and also USPS-LR-N2012-1/NP5 Outgoing Secondary Workload Data (Non-Public).

Labor Savings per TPH was obtained from tab YRscrub2010 N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively.

Section Two titled **Table 9: Savings Due to Eliminating CSBCS and UFSM 1000 Sortation**

a.-d. Contains Table 9 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and additional supporting calculations. Input data is from the

following sources. Annual Volume Eliminated for CSBCS and UFSM 1000 was a multi-step process, starting in both cases with FY 2010 volume of sorts from End of Run (EOR) data.

These FY2010 volumes are reduced to reflect equipment removals taken place from mid-year FY2010 to the end of FY2011, based on data from Docket No. ACR 2010, USPS-FY10-8, spreadsheet FCILTY10.xls. and end of FY2011 EOR data on amount of CSBCS and UFSM 1000 remaining in use. Finally, the CSBCS 3-pass volumes are converted to volumes requiring DPS based on data accept rates from spreadsheet Spreadsheet "USPS-FY-10_FCM_PRST_LETTERS_MPFinal N2012-1.xls" discussed below. Labor Savings per piece to be delivery point sequenced (or DPS) on DBCS instead of CSBCS was obtained from tab USPS-FY10_FCM ..N2012-1 as discussed below. Labor Savings per TPH for UFSM 1000 was obtained from tab YRscrub2010 N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively.

Section Three titled **Table 10: Savings Due to Additional Automated Sorting of Letters**

a.-d. Contains Table 10 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24). Input data is from the following sources. Annual Volume Added to DPS was obtained from EOR volumes for August, 2011 and multiplied by 12 to get an annual volume. The change in processing labor costs per piece was obtained from tab USPS-FY10_FCM ..N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively. Carrier savings per piece are from tab DPS Delivery Savings as discussed below.

Table 1 titled **Table 1: FY 2010 Service Wide Benefits**

a.-d. This is Table 1 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and was discussed above.

Table 2 titled **Table 2: Miscellaneous Postal Supplies & Services Factor**

a.-d. This is Table 2 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and was discussed above.

DPS Delivery Savings titled **DPS Delivery Savings**

a.-d. Input data is from the following sources. The carrier savings due to additional DPS was based on rural carrier costs from Docket No. ACR 2010, USPS-FY10-19, Delivery costs by shape, spreadsheet USPS-FY10-19, UDCmodel10.xls, sheet 6.Rural cost. Rural carrier piggyback factor is from Docket No ACR2010, USPS-FY10-24. The 98.61 percent rate pieces who are DPS to pieces becoming DPS is from spreadsheet Spreadsheet "USPS-FY-10_FCM_PRST_LETTERS_MPFinal N2012-1.xls" discussed below.

YRscrub2010 N2012-1 titled **Inputs from YRscrub2010 N2012-1.xls**

a.-d. Input data is from the spreadsheet YRscrub2010 N2012-1.xls. Spreadsheet "YRscrub2010 N2012-1.xls," which is also part of USPS-LR-N2012-1/23, is the spreadsheet YRscrub2010.xls from Docket no. ACR 2010, USPS-FY10-23. It has been modified to calculate the specific labor unit costs needed for tabs Sections One and Two. The labor cost per piece for Outgoing Secondary sort to be eliminated (for tab Section One) are calculated using the TPF/Hour and TPH/TPF ratio from USPS-FY10-23 along with the cost per workhour for "Other Mail Processing" from USPS –FY10-7, part 8 and the variabilities from part 1. These calculations of labor cost per piece parallel that done in USPS-FY10-10 and USPS-FY10-11. The labor costs for AFSM 100 and UFSM 1000 used to determine the savings for elimination of UFSM 1000 sorting in tab Section Two is likewise are calculated using the TPF/Hour from USPS-FY10-23 along with the cost per workhour for "Other Mail Processing" from USPS – FY10-7, part 8 and the variabilities from part 1.

USPS-FY10_FCM ..N2012-1 titled **Inputs from USPS-FY-10_FCM_PRST_LETTERS_MPFinal N2012-1.xls**

a.-d. Input data is from the Spreadsheet "USPS-FY-10_FCM_PRST_LETTERS_MPFinal N2012-1.xls," which is part of USPS-LR-N2012-1/23. USPS-FY-10_FCM_PRST_LETTERS_MPFinal N2012-1.xls is simply the spreadsheet filed in Docket ACR 2010, USPS-FY10-10, USPS-FY-10_FCM_PRST_LETTERS_MPFinal.xls on December 29, 2010. – with the modification as follows. It has been modified to remove piggyback factors, premium pay factors. There are four blue highlighted model tabs containing the results used. They are as follows:

AUTO 5-DIGIT OTHER COST -- this is the labor cost for 2-pass DPS on a DBCS, including manual processing of rejects and handling costs for post office box letters. The AUTO 5-DIGIT OTHER COST tab also provides the 98.61 percent used as an input for DPS Delivery Savings tab. AUTO 5-DIGIT OTHER MODEL tab was unaltered., so the only changes made vis-à-vis the ACR 2010 model was the removal of piggyback and premium pay factors.

Auto 5-digit CSBCS-Man Cost – this is the labor cost for automated incoming secondary on a DBCS, including manual processing of rejects and handling costs for post office box letters. The Auto 5-digit CSBCS-Man Model was revised to eliminate the 3 pass DPS on the CSBCS.

Auto 5-digit CSBCS-Man Cost (3) --- this is the labor costs for Auto incoming secondary and DPS on CSBCS, including manual processing of rejects and handling costs for post office box letters. Auto 5-digit CSBCS-Man Model (3) is a modified Auto 5-digit CSBCS-Man Model – so that all volumes receive DPS via CSBCS.

Auto 5-digit CSBCS-Man Cost (2) -- this is the labor costs for manual incoming secondary and handling costs for post office box letters. Auto 5-digit CSBCS-Man Model (2) is a modified Auto 5-digit CSBCS-Man Model – so that all pieces receive manual incoming secondary.

Accept Rates for the DPS with 3 passes is directly from tab Accept, without any modification.

USPS-LR-N2012-1/24	Smith Testimony Attachments.xls

Smith Testimony Attachments.xls has following tabs:

Attachment 1 titled **Productive Hourly Rates for FY 2010 by Cost Segment**

a-d. Source: Docket No. ACR2010, USPS-FY10-7, part8.xls. This has been provided in past ACRs (and in Omnibus Rate Cases) to provide cost per work hour by cost segment and in some cases sub-segment. See also Docket No. ACR2009, USPS-FY09-7, part8.xls, which is further documented by Response of U.S. Postal Service to Chairman's Information Request No. 3, Question 20. (Feb 5, 2010). The final column "Productive Hourly Rate" is used by witness Bradley, USPS-T-10.

Attachment 2 titled **Productive Hourly Rates for FY2010 for Maintenance and Custodial**

a-d. The source is the same as for Attachment 1, including additional detail from the National Consolidated Trial Balance and the National Payroll Hours Summary Report. The methods used were the same or similar to that as provided in Docket No. N2010-1, Response to Chairman's Information Request No. 1, Question 4, filed April 28, 2010. The "Average Annual Rate" is used to calculate maintenance and custodial savings in Table 3 and 5 of witness Smith's testimony, USPS-T-9.

The calculation of "Ratio of Supervision to Staff Work Years in Maintenance and Custodial Workyears" is as shown in the spreadsheet. The ratio of 0.080372 supervisor work years per maintenance and custodial staff work year is used to compute the reduction in the number of supervisor positions in Tables 3 and 5.

Attachment 3 titled **Labor And Non-Personnel Costs For Processing Facilities**

a.-d. The input for this attachment is the National Consolidated Trial Balance FY2010 costs for the mail processing facilities that are the focus of the network analysis, using costs by finance number. This data is provided in USPS-LR-N2012-1/58. The portion of the data from this library reference used for Attachment 3 is includes all Function 1 processing facilities (see USPS-LR-N2012-1/34), excluding NDCs, ISCs and RECs. All costs associated with these finance numbers are included in Attachment 3 except for cost segment 14, Purchased Transportation. These costs were aggregated for all these facilities, by expense account number. Then these costs are aggregated to Trial Balance component totals show in Attachment 3. The aggregation process is the same as that applied to the General Ledge to get the Trial Balance costs (See Docket No. ACR 2010, USPS-FY10-5). For instance in the case of cost segment 3, the Trial Balance contains one CRA component, component 253. Attachment 3 shows the cost for this component of $7,788.3 million, which is total clerk and mail handler costs for these facilities.

The outputs are used in Table 2 of USPS-T-9, directly from Attachment 3 as discussed below for spreadsheet "Smith Testimony Tables," tab Table 2. While Attachment 3 shows these costs in aggregate for all network processing facilities, we also obtained these costs separately for Active and Inactive facilities for use in developing costs in Table 6 of USPS-T-9.

USPS-LR-N2012-1/24	Smith Testimony Tables.xls

Smith Testimony Tables.xls—has the following tabs:

Table 1 titled **FY 2010 Service Wide Benefits**

a.-d. Input data from Docket No. ACR 2010, USPS-FY10-31, Total Accrued Costs for following cost components and sources (from tab CS18, unless otherwise noted).

Component Name	Component No.	Source
Repriced Annual Leave	292	FY10.CRpt.xls
Holiday Leave Adjustment	487	FY10.CRpt.xls
Workers Compensation Current Year	204	FY10.ARpt.xls
Unemployment Compensation	453	FY10.CRpt.xls
Annuitant Health Benefits–Earned (Current)	202*	FY10.BRpt.xls
Civil Service Retirement System (CSRS)–Earned	202*	FY10.BRpt.xls
Annuitant Life Insurance	71	FY10.CRpt.xls
Total Service-Wide Benefits		Sum of above
Total Salary and Benefits	433 (cell GU436)	FY10.B.xls, tab OutputMatrix

*****Component 202 is $4.095 billion. This is the amount of benefits earned during the fiscal year by current employees, benefits not contained in the labor cost segments of 1-13, 16, 18, and 19. It includes both the retiree health benefits of $3.055 billion (see Postal Service's10-K Annual Report, page 22) and CSRS pensions of $1,040,064,152. The sum of these two benefits is $4,095,064,152. This is described in "Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2010," filed with the Postal Regulatory Commission on July 1, 2011.

The output associated with this table is the Service-Wide Benefits per $1,000 of Salary & Benefits of $111.54. This is used to compute the service-wide benefits savings associated with the personnel savings in Tables 3, 5, 8-9 and 10 of witness Smith, USPS-T-9 and also at pages 28 and 35 (Table 13) of witness Bradley, USPS-T-10.

Table 2 titled **Miscellaneous Postal Supplies & Services Factor**

a.-d. Input data is from Attachment 3 as follows. Miscellaneous Postal Supplies and Services is from cost segment 16, component 177, Total postal supplies & services. 'Total Current Network Labor costs (comp 527) is the sum of the Postal Service personnel costs for cost segments 1-12. The output associated with this table is the Miscellaneous Supplies and Services per $1,000 of Salary & Benefits of $7.81. This is used to compute the Miscellaneous Supplies and Services savings associated with personnel savings in Tables 4, 6, 8-9 and 10 of witness Smith, USPS-T-9 and also at pages 28 and 35 (Table 13) of witness Bradley, USPS-T-10.

Table 3 titled **Mail Processing Equipment Maintenance Labor Savings**

a.-d. Input data is from the following sources. Change in Authorized Positions for Postal Operating Equipment and Administrative labor are from witness Bratta, USPS-T-5, Part IVA and USPS-LR-N2012-1/31. While witness Bratta does not provide an estimate of changes in the number of supervisor positions, he indicates that he would expect a decline, consistent with the current supervision to staff ratios. Attachment 2 provides the current ratio of supervisors to staff of 0.08037, which is used to calculate reduction in the number of supervisors. Average Annual Rate, which is the average annual salary and benefits for each labor type is from Attachment 2. Service-wide benefits are computed based on the factors from Table 1.

Table 4 titled **Mail Processing Equipment Parts and Supplies Savings**

a.-d. Input data is from the following sources. Decline in annual spare parts costs is from witness Bratta, USPS-T-5, Part IVA and USPS-LR-N2012-1/33. The decline in Biohazard Detection System (BDS) cartridge costs is calculated as the product of the FY2010 BDS cartridge expense of $32.0 million (see Docket No. ACR 2010, USPS-T-8, fy10equip.xls) and 36 percent. The latter is based on witness Rosenberg, USPS-T-3, Part IV, determination of reduced requirements for Advanced Facer Canceler Systems (AFCS). As a result, there will be a reduced need for BDS cartridges, going from 520 currently to 335, a 36 percent reduction as shown in witness Smith's response to PR/USPS-T9-2, filed on January 4, 2012. Finally, the third component is the decline in miscellaneous postal supplies and services associated with the reduction of $335.3 million (labor savings excluding service wide benefits) in maintenance personnel costs

shown in Table 3. Miscellaneous postal supplies and costs decline with this personnel cost reduction at $7.81 per $1,000 of salary and benefits is from Table 2.

Table 5 titled **Facility Maintenance and Custodial Labor Savings**

a.-d. Input data is from the following sources. Change in Authorized Positions for Building Maintenance and Custodial Maintenance labor are from witness Bratta, USPS-T-5, Part IV and USPS-LR-N2012-1/31. While witness Bratta does not provide an estimate of changes in the number of supervisor positions, he indicates that he would expect a decline, consistent with the current supervision to staff ratios. Attachment 2 provides the current ratio of supervisors to staff of 0.08037, which is used to calculate reduction in the number of supervisors. Average Annual Rate, which is the average annual salary and benefits for each labor type is from Attachment 2. Service-wide benefits are computed based on the factors from Table 1.

Table 6 titled **Facility-Related Utilities and Supplies Savings**

a.-d. Input data is from the following sources. Expenses for Inactive sites are based on the data used for Attachment 3, for the inactive sites (or facilities (facilities listed in USPS-LR-N2012-1/34 denoted by "N" in the column "Model Open."). This is contained in USPS-LR-N2012-1/58. (Attachment 3 contains expenses for Active and Inactive facilities combined for Utilities and Heating Fuel [$220.8 million] and Custodial Supplies and Services [$91.9 million]). The percent of inactive site savings, 95 percent, is based on witness Bratta determination that, apart from the need to provide for the 5 percent of space utilized for non-processing purposes, all non-personnel facility related expenses can be saved. See witness Bratta, USPS-T-5, part IV.B. Finally, the third component is the decline in miscellaneous postal supplies and services associated with the reduction of $206.7 million (labor savings excluding service wide benefits) in maintenance personnel costs shown in Table 5. Miscellaneous postal supplies and costs decline with this personnel cost reduction at $7.81 per $1,000 of salary and benefits is from Table 2.

Table 7 titled **Facility Lease and Sale Related Savings**

a.-d. Input data is from the following sources. Potential Annual Earnings from Facility Sales Proceeds is based on earning a 10 annual return on $327 million sale proceeds. The latter estimate was provided by Facilities. Potential Rent Savings was provided by Facilities. See USPS-T-9, pages 19-20.

Table 8 titled **Savings Due to Reduction in Outgoing Secondary Sorting**

a.-d. See USPS-LR-N2012-1/23, tab Section One

Table 9 titled **Savings Due to Eliminating CSBCS and UFSM 1000 Sortation**

a.-d. See USPS-LR-N2012-1/23, tab Section Two

Table 10 titled **Savings Due to Additional Automated Sorting of Letters**

a.-d. See USPS-LR-N2012-1/23, tab Section Three

Table 11 titled **Summary of Cost Savings Provided in this Testimony**

a.-d. Inputs: The tabs for Tables 3 to 10 provide inputs.

USPS-LR-N2012-1/31	eMARS_WHEP_Staffing Changes Final_AM_v5.xlsx

a. This spreadsheet[1] has two tabs "Summary" and "SiteList." The tab "Summary" is the output or results of witness Bratta's testimony, USPS-T-5, on maintenance and custodial staffing changes. It is a summary of the tab "SiteList." The column "Current Authorized" of the "Summary" tab contains the column totals from the "SiteList" tab, by LDC, for the base staffing (columns N to T, with the headers ending in "_BAS"). The column "New Network Authorized" of the "Summary" tab contains the column totals from the "SiteList" tab, by LDC, for the proposed staffing (columns V to AB, with the headers ending in "_PRO"). The difference, with the 95 percent adjustment for non-processing space for LDCs 37 and 38, is the column "FTE Savings." This column is used by witness Smith, USPS-T-9, to compute the maintenance and custodial saving associated with the proposed network.

The tab "SiteList" contains the base and proposed staffing numbers for all eMARS Sites. The base staffing (columns N to T, with the headers ending in "_BAS") are the Authorized positions as of September, 2011. The proposed staffing (columns V to AB, with the headers ending in "_PRO") are those calculated based on the proposed network facilities and equipment. Parts (b-d) of this response define this data and

[1] This response refers to this spreadsheet as revised 2/24/2012 now called "eMARS_WHEP_Staffing Changes Final_AM_v5 REVISED.xlsx."

provide sources for this data. As discussed in part (d), USPS-LR-N2012-1/67 contains input data associated with the columns LCD36_MPE_TOT_BAS and LCD36_MPE_TOT_PRO in "eMARS_WHEP_Staffing Changes Final_AM_v5 REVISED.xlsx."

b. The following are definitions for data on tab "SiteList."

AREA_NAME - The name of one of each of the seven Areas within the Postal Service.
DISTRICT_NAME - The name of a District within a specific Area.
eMARS SITE_ID - A unique number that identifies each of the 450+ eMARS Sites.
SITE_NAME[2] - A maintenance capable mail processing facility or facilities associated with a site.
eMARS FACILITY_ID - A unique number (up to 5 digits) that identifies a specific Postal facility within eMARS.
eMARS_FACILITY_NAME - The name of a facility as identified by eMARS.
Complement List Match? – Used to reconcile finance numbers with other records.
FINANCE_NO - A 6 digit number assigned to a facility for reporting financial information.
Gross Bldg (MS-1) - The square footage of a building based on MS-1 (Operation and Maintenance of Real Property) handbook guidelines.
Gross Interior (MS-47) - The interior square footage of a building that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.
Exterior Paved (MS-47) - The exterior paved square footage of a facility that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.
Exterior Unpaved (MS-47) - The exterior unpaved square footage of a facility that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.
Ext.Pv-UnPv Combined (MS-47) - The combined square footage of exterior paved and unpaved area.
LCD36_MPE_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC (LDC) 36 for the support and maintenance of mail processing equipment.
LCD37_BLDG_MAIN_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of the building and building equipment of a major mail processing facility.
LCD37_BLDG_STA_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at station/branches of a major mail processing facility.

[2] Column name was "Gaining_Site_Name" in original or unrevised spreadsheet. This was corrected to be "Site_Name."

LCD37_FMO_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at Associate Offices.
LCD39_MOS_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 39 for supporting the maintenance operations of a mail processing facility, its stations/branches and Associate Offices.
LCD38_BLDSERV_MAIN_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 38 for providing custodial cleaning services at a major mail processing facility.
LCD38_BLDSERV_STA_TOT_BAS - The number of approved positions prior to Network Rationalization assigned to LDC 38 for providing custodial cleaning services at stations/branches of a major mail processing facility.
TOTAL CURRENT - The sum of LDC 36, 37, 39, and 38 approved positions prior to Network Rationalization.
LCD36_MPE_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 36 for the purpose of supporting and maintaining mail processing equipment.
LCD37_BLDG_MAIN_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of the building and building equipment of a major mail processing facility.
LCD37_BLDG_STA_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at station/branches of a major mail processing facility.
LCD37_FMO_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at Associate Offices.
LCD39_MOS_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 39 for supporting the maintenance operations of a mail processing facility, its stations/branches and Associate Offices.
LCD38_BLDSERV_MAIN_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 38 for providing custodial cleaning services at a major mail processing facility.
LCD38_BLDSERV_STA_TOT_PRO - The number of proposed positions after implementation of Network Rationalization assigned to LDC 38 for providing custodial cleaning services at stations/branches of a major mail processing facility.
TOTAL MAINT REQUIRED - The sum of LDC 36, 37, 39, and 38 proposed positions after implementation of Network Rationalization.
LCD36_BASE vs PRO DIFFERENCE - The net gain or loss of LDC 36 positions after implementation of Network Rationalization.
COMMENTS - Any comments concerning this Site.

c. The sources for the data on the "SiteList" tab are as follows:

The staffing determination is discussed generally in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14. Work Hour Estimator Program (WHEP) guidelines are used to estimate maintenance work hours in each functional area. Guidelines contained in the program are derived from existing approved handbooks, MMOs, and other source documents.

For mail processing equipment maintenance, relating to LCD36_MPE_TOT_BAS and LCD36_MPE_TOT_PRO, *see* USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview. For determination of maintenance by equipment type see USPS-LR-N2012-1/59 which contains for each equipment type the prescribed number of annual workhours allocated for preventive, corrective, and operational maintenance. Additional information on the development of LDC 36 maintenance staffing is provided in USPS-LR-N2012-1/67. LCD36_MPE_TOT_BAS are the authorized positions as of September, 2011. LCD36_MPE_TOT_PRO are the staffing needed for the proposed network equipment as per USPS-LR-N2012-1/37.

For building maintenance authorized positions as of September, 2011, the categories are:

LCD37_BLDG_MAIN_TOT_BAS
LCD37_BLDG_STA_TOT_BAS
LCD37_FMO_TOT_BAS

The process to establish them is provided in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview; USPS-LR-N2012-1/28, MS-1 Staffing Handbook, Section 13 of the MS-1 is applicable to staffing requirements for building maintenance employees.

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The building maintenance proposed staffing under Network Rationalization fit the categories:

LCD37_BLDG_MAIN_TOT_PRO
LCD37_BLDG_STA_TOT_PRO
LCD37_FMO_TOT_PRO

The last two are the same as "_BAS" since stations, branches and associate offices are not changing under Network Rationalization. The first category is zero staff for inactive sites as per USPS-LR-N2012-1/34, and otherwise the same as "_BAS."

For building services (custodial) authorized positions as of September, 2011 are in the categories:

LCD38_BLDSERV_MAIN_TOT_BAS
LCD38_BLDSERV_STA_TOT_BAS

The process to establish them is provided in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview and USPS-LR-N2012-1/29, MS-47 Handbook. The MS-47 is a handbook that provides procedures for determining staffing and scheduling for the building services maintenance (custodial) work force. The requirements of this group include cleaning and preventive maintenance of the building and grounds for all Postal facilities where the USPS is responsible for such services.

The building services proposed staffing under Network Rationalization are the categories:

LCD38_BLDSERV_MAIN_TOT_PRO
LCD38_BLDSERV_STA_TOT_PRO

The last one is the same as "_BAS" since stations, branches and associate offices are not changing under Network Rationalization. The first category is zero staff for inactive sites as per USPS-LR-N2012-1/34, and otherwise the same as "_BAS."

The Maintenance Operations Support (MOS). for both base and proposed staff are in the categories:

LCD39_MOS_TOT_BAS
LCD39_MOS_TOT_PRO

MOS performs the administrative duties necessary to support the maintenance function. The staffing for this category is given at USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, page 9. The MOS support the total of the other LDC 36- LDC 38 staff at their site. Using the total of LDC 36 to LDC 38 staff, the number of MOS staff is given by the table at page 9.

d. Input data for the columns LCD36_MPE_TOT_BAS and LCD36_MPE_TOT_PRO in "eMARS_WHEP_Staffing Changes Final_AM_v5 REVISED.xlsx" are provided in USPS-LR-N2012-1/67. This data shows maintenance hours by equipment type for each site both for base and proposed staffing and is described at in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 2-3 and more fully in USPS-LR-N2012-1/67.

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USPS-LR-N2012-1/33	Copy of FY11_Parts_Network Consolidation Analysis.xls

a. The spreadsheet, Copy of FY11_Parts_Network Consolidation Analysis.xls, shows the dollar value of shipments for FY 2011 from the Topeka Material Distribution Center (MDC) and from suppliers that ship directly to all field maintenance stockrooms, referred to as Direct Vendor Shipment. The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables. The total shipment value is the total identifiable USPS expenditure for automation and mechanization mail processing equipment parts. The estimated mail processing equipment fleet reduction is 40 percent and this is the basis for the estimated savings.

b. Following are the definitions for data in the spreadsheet, Copy of FY11_Parts_Network Consolidation Analysis.xls:

1) MDC Shipment $ Value: This row includes the shipment value for FY 2011 and a monthly breakdown for shipments from the Topeka Material Distribution Center for mail processing equipment spare parts to field maintenance stockrooms.
2) Direct Vendor Shipment $ Value: This row includes the shipment and invoiced value for mail processing equipment spare parts that are shipped directly from a supplier to field maintenance stockrooms. The dollar value by month and total FY 2011 expenditure is included.
3) Total Mail Processing Equipment Parts Shipment Value: This row is the sum of the MDC Shipment $ Value and Direct Vendor Shipment $ Value. The dollar value by month and FY 2011 total is the total identifiable USPS expenditure for mail processing equipment parts. (Note: Field maintenance stockrooms buy some mail processing equipment parts locally using a purchase card. These expenditures are not included.)
4) Estimated % Mail Processing Equipment Removals as a % of Total Fleet: For purposes of estimating the potential expenditure reduction for mail processing equipment parts, 40% reduction in the fleet was used.
5) Estimated Reduction for Mail Processing Equipment Parts: The estimated dollar reduction is calculated by multiplying the total mail processing equipments part shipment value for FY 2011 and estimated % mail processing equipment removals. The result is an estimated expenditure reduction of $68 M.

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The following are definitions for the input data for MDC Shipment $ Value:

POST_DATE – date of shipment.
PLANT .-. : The location the part was shipped from. (TO is Topeka.)
CUST_NO – customer number.
FINANCE_NO_PST – PST finance number for location the part was shipped from.
ITEM_NO – item number.
TRANS_NO – transaction number.
ORDER_NO – order number.
LINE_NO – line number.
TRANS_QTY – transaction quantity.
POST_AMT – amount charged.
PLANNER_CODE - the initials of the Item Manager assigned to the NSN.
CAT_COMM_CD_PST – the catalog commodity code (R – parts, S – supply, E – equipment).
FIN_COMMODITY_PST – the financial commodity code (R – parts, S – supply, E – equipment).
GL_ACCT_ID – General Ledger Account Number.
REFERENCE1 – the shipment journal voucher financial transaction code (OPCO and OPCD).

Following are definitions for the input data for Direct Vendor Shipment $ Value:

PK_DVInvoice – the primary key auto number in MS Access.
INVOICE_DATE - date of invoice.
GL_ACCT_ID - General Ledger Account Number.
AP_SEQ_NO - Accounts Payable sequence number.
FIN_COMM_CD_PST - the financial commodity code (R – parts, S – supply, E – equipment).
FINANCE_NO – finance number of recipient.
INVOICE_NO – invoice number.
INVOICE_LINE – invoice line number.
VENDNO - is the vendor identification number and the number is encrypted.
CONTRACT_LINE– the contract award line number (a contract can have more than one NSN purchased from the vendor).
INVOICE_AMT – amount charged for shipment.
CERTIFIED_AMT – certified amount.
ITEM_NO - Postal Stock Number.
ORDER_NO - MDIMS order number.
LINE_NO - MDIMS order line number.
PAY_QTY – quantify purchased.
PAY_UNIT_PRICE – price per unit.
CUST_NO – customer number.
CONTRACT – Contract number.
ORDER_TYPE – type of order processed (V = DVD, C = contract).
PLANNER_CODE- the initials of the Item Manager assigned to the NSN.

NAME – name of vendor.
CAT_COMM_CD_PST – the catalog commodity code (R – parts, S – supply, E – equipment).
PRODUCT_GROUP – product group number.
CalYr – calendar year.
FY – fiscal year.
MO- month.

c. Sources of input data are as follows.

MDC Shipment $ Value - The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables when a parts shipment transaction occurred to GL account 14371040 or 14361040, posted dollar amount during fiscal year 2011

Direct Vendor Shipment $ Value - This includes the shipment and invoiced value for mail processing equipment spare parts that were sourced and invoiced through the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial table for GL account 52121, certified dollar amount that were shipped directly from a supplier to field maintenance stockrooms for fiscal year 2011.

The source for the 40 percent reduction, per the response to PR/USPS-T-5-4, is an estimate based on the projected equipment set reflected in Library Reference USPS-LR-N2012-1/37, and the current equipment set reflected in Library Reference USPS-LR-N2012-1/17.

d. Sample input data and the programs run are provided below for the MDC shipment and the Direct Vendor shipment.

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1. MDC Shipment $ Value. The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables when a parts shipment transaction occurred to GL account 14371040 or 14361040, posted dollar amount during fiscal year 2011.This summary includes 3,379,298 individual part transactions. Samples of the individual transactions are included below.

Topeka Material Distribution Center (MDC) Shipment Sample Data			
POST_DATE	10/1/10 7:29 AM	10/1/10 7:29 AM	10/1/10 7:29 AM
PLANT	TO	TO	TO
CUST_NO	183L26	1805AF	187433
FINANCE_NO_PST	197101	197101	197101
ITEM_NO	6150070000241	3030030008516	3030060008829
TRANS_NO	105713123	105713124	105713125
ORDER_NO	0023847769	0023847681	0023847929
LINE_NO	6	8	5
TRANS_QTY	1	1	1
POST_AMT	-40.3944	-28.75	-26.87
PLANNER_CODE	KJC	GDF	RDS
CAT_COMM_CD_PST	R	R	R
FIN_COMMODITY_PST	PTS	PTS	PTS
GL_ACCT_ID	14371040	14371040	14371040
REFERENCE1	OPCO	OPCO	OPCO

The MDC Sales is from query:
qryMO_36aJE_Dist_LSN760P1_ByItembyPlnr_grpOrdNo_DB. Material Distribution and Inventory Management System (MDIMS) Reporting Server from the table;

JIT_IC_JE_HIST_VW (Accounting Table)

Parameters:

GL_ACCT_ID – "14371040" & "14361040" (Includes expensed and capitalized repair parts)
POST_DATE = Between 10/01/2010 and 09/30/2011 11:59:59 PM
POST_AMT = Sum(nz([JIT_IC_JE_DIST].[POST_AMT])),
CAT_COMM_CD_PST = "R" (Parts)
REFERENCE1 = "OPCO" Or "OPCD"

The actual query is:

SELECT DISTINCTROW Month([POST_DATE]) AS MO,
JIT_IC_JE_HIST_VW.GL_ACCT_ID,
JIT_IC_JE_HIST_VW.CAT_COMM_CD_PST,

```
Sum(nz([JIT_IC_JE_HIST_VW].[TRANS_QTY])) AS TRANS_QTY, -
Sum(nz([JIT_IC_JE_HIST_VW].[POST_AMT])) AS POST_AMT
        FROM JIT_IC_JE_HIST_VW
        WHERE (((JIT_IC_JE_HIST_VW.POST_DATE) Between #10/1/2010#
And #9/30/2011 23:59:59#) AND
((JIT_IC_JE_HIST_VW.CAT_COMM_CD_PST)="R") AND
((JIT_IC_JE_HIST_VW.GL_ACCT_ID)="14371040" Or
(JIT_IC_JE_HIST_VW.GL_ACCT_ID)="14361040") AND
((JIT_IC_JE_HIST_VW.REFERENCE1)="OPCO" Or
(JIT_IC_JE_HIST_VW.REFERENCE1)="OPCD"))
        GROUP BY Month([POST_DATE]), JIT_IC_JE_HIST_VW.GL_ACCT_ID,
JIT_IC_JE_HIST_VW.CAT_COMM_CD_PST;
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REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1, QUESTION 22

2. Direct Vendor Shipment $ Value This includes the shipment and invoiced value for mail processing equipment spare parts that were sourced and invoiced through the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial table for GL account 52121, certified dollar amount that were shipped directly from a supplier to field maintenance stockrooms for fiscal year 2011. This summary includes 23,758 individual transactions. Samples of the individual transactions are included below.

Direct Vendor Shipment Sample Data			
PK_DVInvoice	3555789	3555881	3555882
INVOICE_DATE	21-Sep-11	21-Sep-11	21-Sep-11
GL_ACCT_ID	52121	52121	52121
AP_SEQ_NO	0001	0001	0001
FIN_COMM_CD_PST	PTS	PTS	PTS
FINANCE_NO	661132	210143	467866
INVOICE_NO	10-66706	5322532	5322485
INVOICE_LINE	1	1	1
VENDNO	361239;47	1529455/5	1529455/5
CONTRACT_LINE	015	012	024
INVOICE_AMT	151.00	232.32	72.75
CERTIFIED_AMT	151.00	232.32	72.75
ITEM_NO	7690070004890	3915020001704	7930070004112
ORDER_NO	0026412893	0026450156	0026426485
LINE_NO	4	1	19
PAY_QTY	2	1	1
PAY_UNIT_PRICE	75.50	232.32	72.75
CUST_NO	183A0X	187B1M	188801
CONTRACT	2DPRNT-11-B-1005	3CASPT-11-B-1333	3CASPT-11-B-1333
ORDER_TYPE	V	V	V
PLANNER_CODE	RB	KAB	LJK
NAME	SOUTHERN IMAGING	VIDEOJET TECHNOLOGIES INC.	VIDEOJET TECHNOLOGIES INC.
CAT_COMM_CD_PST	R	R	R
PRODUCT_GROUP	426002	704	146001
CalYr	2011	2011	2011
FY	2011	2011	2011

MO	9	9	9

The DVD Sales query:

qryMO_34aDVInvoicedShips_DB. MDIMS Reporting Server from the tables:

JIT_INVOICE (Accounting Table)
JIT_GLOBAL_ITEM_MASTER (Global Inventory Table)
JIT_OEDETL_HIST_PST (Inventory Order Detail Table)

Parameters:
GL_ACCT_ID = "52121" (Includes all Direct Vendor Deliveries that are sourced and invoiced through MDIMS and does not include eBuy Orders.)
CAT_COMM_CD_PST = "R" (Parts)
CERTIFIED AMOUNT: Sum(CDbl([CERTIFIED_AMT]))

The actual query is:

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SELECT Month([INVOICE_DATE]) AS MO,
JIT_INVOICE.GL_ACCT_ID, Sum(JIT_INVOICE.INVOICE_AMT) AS
SumOfINVOICE_AMT, Sum(JIT_INVOICE.CERTIFIED_AMT) AS
SumOfCERTIFIED_AMT
    FROM ((JIT_INVOICE INNER JOIN JIT_VM_MASTER ON
JIT_INVOICE.VENDNO = JIT_VM_MASTER.VENDNO) INNER JOIN
JIT_OEDETL_HIST_PST ON (JIT_INVOICE.LINE_NO =
JIT_OEDETL_HIST_PST.LINE_NO) AND (JIT_INVOICE.ORDER_NO =
JIT_OEDETL_HIST_PST.ORDER_NO)) INNER JOIN
JIT_GLOBAL_ITEM_MASTER ON JIT_INVOICE.ITEM_NO =
JIT_GLOBAL_ITEM_MASTER.ITEM_NO
    WHERE (((JIT_INVOICE.GL_ACCT_ID)="52121") AND
((JIT_INVOICE.INVOICE_DATE) Between #10/1/2010# And #9/30/2011
23:59:59#) AND
((JIT_GLOBAL_ITEM_MASTER.CAT_COMM_CD_PST)="R"))
    GROUP BY Month([INVOICE_DATE]), JIT_INVOICE.GL_ACCT_ID;
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